GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2992
ANSWERED ON:10.08.2001
FOREX BUREAU OF SBI
LAKSHMAN CHANDRA SETH

Will the Minister of FINANCE be pleased to state:

(a) whether the SBI has shifted its Forex Bureau from Kolkata;

(b) whether other Banks are also following suit;

(c) if so, the reasons therefor; and

(d) the steps taken by the Government to prevent these banks from shifting their Forex Bureau from Kolkata?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB ViKHE PATIL):

(a) to (c) State Bank of India, (SBI) has reported that while its Foreign Departmentcontinues to (unction at Kolkata, its inter-bank foreign exchange dealing and cover operations functions were shifted to Mumbai with effect from 12th October 1998, as partof the Bank`s integration of its treasury operations. SBI has further reported that this has enhanced the efficiency and effectiveness of the Bank`s treasury operations, substantially improved the yield on the deployment of the Bank`s surplus rupee resources and resulted in substantial interest income over and above the foreign exchange income of the Bank. The bank has also reported that its forex turnover has gone up substantially since the re-organization of its treasury operations. According to the information available with Government of India and Reserve Bank of India, no other public sector bank had its Foreign Exchange Division in Kolkata.

(d) Such decisions are taken by Banks themselves in their best commercial interest.